

BEFORE THE  
FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON, D.C. 20554

ORIGINAL  
FILE

ORIGINAL

In the Matter of )  
 )  
Billed Party Preference ) CC Docket No. 92-77  
for 0+ InterLATA Calls )

To: The Commission

RECEIVED

JUN 17 1992

REPLY COMMENTS

OF

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

WILTEL, INC.

WilTel, Inc. ("WilTel") submits these Reply Comments primarily in order to respond to certain contentions advanced by American Telephone and Telegraph Company ("AT&T") in this proceeding.

**I. THE COMMISSION SHOULD CONSIDER MARKETPLACE REALITIES, NOT AT&T PLATITUDES**

The Commission has determined that the consumer, not the premise owner, should select the IXC used to complete long distance calls made from pay telephones, hotels/motels, hospitals and other locations with transient clients. Pending the implementation of billed party preference, however, competition in the operator services marketplace is largely competition for locations, not end users. OSPs, therefore, must attract premise owners by providing high commissions

No. of Copies rec'd  
List A B C D E

0 + 4

while offering a level of service that does not alienate the premise owners' clientele.<sup>1</sup>

Competition for end users is of secondary importance when compared to presubscription competition. It largely consists of educating customers on the ability to "dial around" the presubscribed carrier.

AT&T's comments emphasize the effect of CIID cards on this secondary, end user, market; the impact on the primary, presubscription, market is ignored.<sup>2</sup> On the other hand, AT&T's marketing efforts demonstrate that it recognizes the importance of presubscription competition.<sup>3</sup>

Whatever benefits (if any) CIID cards may have in the end user marketplace, they will tend to recreate AT&T's monopoly position in the presubscription market by, in effect, blocking 0+ calls from telephones presubscribed to nondominant carriers. As AT&T's deceptive and anticompetitive practices undermine 0+ equal access, fewer consumers will attempt to dial around the presubscribed carrier. A majority of end

---

<sup>1</sup>Because a large proportion of operator-assisted calls placed at aggregator locations are made by business travellers who will be reimbursed for the costs incurred, price is less important than convenience to most end users.

<sup>2</sup>Its comments do contend that aggregators are merely "making presubscription choices that reflect the preferences of most customers for AT&T's" services. AT&T Comments at 7-8. Although the consumer confusion and inconvenience created by the CIID card campaign may lead aggregators to presubscribe to AT&T, this statement incorrectly assumes that end user IXC preferences are the most important factor considered by aggregators.

<sup>3</sup>See International Telecharge, Inc. ("ITI") Comments, Attachment A (AT&T letter to property owners discussing impact of CIID cards); id. Attachment B (same); id. Attachment C (AT&T listing of premise owner benefits); id. Attachment D (same).

users will recognize that they can obtain the advantages of equal access (the ability to place a call without cumbersome access codes) by using AT&T in almost all locations. This may have some superficial appeal in terms of customer convenience, but the erosion of competition will eventually hurt consumers as well as competitors.

## **II. THE DEGREE OF SHARING, NOT THE PRINCIPLE, IS AT ISSUE**

AT&T objects to making "its own technology, development and customer data available to competitors . . . by providing card validation and billing for other IXCs."<sup>4</sup> Yet AT&T routinely shares billing and validation data with its LEC competitors in those many jurisdictions where AT&T is allowed to provide intraLATA service.<sup>5</sup>

## **III. THE COMMISSION COULD CONSIDER ALTERNATIVE APPROACHES**

Sprint suggests that the Commission could, as an alternative to other approaches under consideration, prohibit payment of commissions for calls made via proprietary cards. Although WilTel supports the request of the Competitive Telecommunications Association ("CompTel") for rapid Commission action to halt AT&T's CIID card campaign, Sprints' suggestion would achieve some of the same goals if the Commission rejects CompTel's proposal.

---

<sup>4</sup>AT&T Comments at 4.


<sup>5</sup>See American Public Communications Council Comments at 16-17 (AT&T validates CIID cards for LECs).

Regardless of what other action the Commission takes, it should require AT&T to ameliorate the customer confusion resulting from its deliberate misstatements. The Commission should force AT&T to (1) inform all of its CIID card customers that they may continue to use their prior LEC line-based cards and (2) provide CIID card users with instructions on replacing any LEC cards that have been destroyed or discontinued.

#### IV. CONCLUSION

The record before the Commission demonstrates a pattern of misleading practices and attempted re-monopolization on the part of AT&T. The Commission cannot allow AT&T to interpose consumers as hostages against effective regulatory action. It should halt the issuance of additional CIID cards and require AT&T to share access to billing and validation data for existing cards.<sup>6</sup> It should also require AT&T to remedy its past misstatements regarding LEC cards.

WILTEL, INC.

  
\_\_\_\_\_  
Bob F. McCoy  
Joseph W. Miller  
Its Attorneys

Service Address:

Joseph W. Miller  
P.O. Box 2400  
One Williams Center, Suite 3600  
Tulsa, Oklahoma 74102  
(918) 588-2108

June 16, 1992

---

<sup>6</sup>CompTel Comments at 2-3.

CERTIFICATE OF SERVICE

I, Pamela S. Neff, do hereby certify that on June 17, 1992, a copy of the foregoing "Reply Comments of WilTel, Inc." was mailed by U.S. first class mail, postage prepaid, to the parties listed on the attached service list.

Pamela S. Neff

## SERVICE LIST

Secretary\*  
Federal Communications  
Commission  
1919 M Street, N.W., Rm 222  
Washington, D.C. 20554

Cheryl A. Tritt, Chief\*  
Common Carrier Bureau  
Federal Communications  
Commission  
1919 M Street, N.W., Rm 500  
Washington, D.C. 20554

John Cimko, Jr., Chief\*  
Tariff Division  
Common Carrier Bureau  
Federal Communications  
Commission  
1919 M Street, N.W., Rm 518  
Washington, D.C. 20554

Judith Argentieri\*  
Federal Communications  
Commission  
Tariff Division, Room 518  
1919 M Street, N.W.  
Washington, D.C. 20554

Norma Bell\*  
Federal Communications  
Commission  
Legal Branch, Room 518  
1919 M Street, N.W.  
Washington, D.C. 20554

Douglas F. Brent  
Associate Counsel  
Advanced Telecommunications  
Corporation  
Americall Systems, Inc.  
First Phone of New  
England, Inc.  
10000 Shelbyville Road  
Louisville, KY 40223

Francine J. Berry  
Mark C. Rosenblum  
Peter H. Jacoby  
Richard H. Rubin  
American Telephone and  
Telegraph Company  
295 North Maple Avenue  
Room 3244J1  
Basking Ridge, NJ 07920

Jean L. Kiddoo  
Ann P. Morton  
Swidler & Berlin, Chartered  
3000 K Street, N.W.  
Suite 300  
Washington, D.C. 20007  
Attorneys for the Cleartel  
Communications, Inc. and  
Com Systems, Inc.

Genevieve Morelli  
Vice President and  
General Counsel  
Competitive  
Telecommunications  
Association  
1140 Connecticut Avenue, N.W.  
Suite 220  
Washington, D.C. 20036

Richard E. Wiley  
Danny E. Adams  
Steven A. Augustino  
Wiley, Rein & Fielding  
1776 K Street, N.W.  
Washington, D.C. 20006  
Attorneys for Competitive  
Telecommunications  
Association

John A. Ligon  
Law Office of John A. Ligon  
128 Mount Hebron Avenue  
Post Office Box 880  
Upper Montclair, NJ 07043  
Attorney for ComTel Computer  
Corporation

Gail L. Polivy  
1850 M Street, N.W.  
Suite 1200  
Washington, D.C. 20036  
Attorney for GTE Service  
Corporation and its  
affiliated GTE domestic  
telephone operating  
companies

Brad Mutschelknaus  
Wiley, Rein & Fielding  
1776 K Street, N.W.  
Washington, D.C. 20006  
Attorney for International  
Telecharge, Inc.

Albert H. Kramer  
Robert F. Aldrich  
Keck, Mahin & Cate  
1201 New York Avenue, N.W.  
Penthouse Suite  
Washington, D.C. 20005-3919  
Attorneys for the American  
Public Communications  
Council

Floyd S. Keene  
Michael S. Pabian  
Room 4H76  
2000 West Ameritech Ctr Dr.  
Hoffman Estates, IL 60196  
Attorneys for the Ameritech  
Operating Companies

John M. Goodman  
1710 H Street, N.W.  
Washington, D.C. 20006  
Attorney for the Bell  
Atlantic telephone companies

William B. Barfield  
Richard M. Sbaratta  
Helen A. Shockey  
1155 Peachtree Street, N.E.  
Suite 1800  
Atlanta, GA 30367-6000  
Attorneys for BellSouth  
Telecommunications, Inc.

Randolph J. May  
David A. Gross  
Elizabeth C. Buckingham  
Sutherland, Asbill & Brennan  
1275 Pennsylvania Ave., N.W.  
Washington, D.C. 20004-2404  
Attorneys for the Capital  
Network System, Inc.

Mary J. Sisak  
Donald J. Elardo  
1801 Pennsylvania Ave., N.W.  
Washington, D.C. 20006  
Attorneys for MCI  
Telecommunications  
Corporation

David Cosson  
2626 Pennsylvania Ave., N.W.  
Washington, D.C. 20037  
Attorney for the National  
Telephone Cooperative  
Association

Andrew D. Lipman  
Jean L. Kiddoo  
Ann P. Morton  
Swidler & Berlin, Chartered  
3000 K Street, N.W.  
Suite 300  
Washington, D.C. 20007  
Attorneys for LDDS  
Communications, Inc.

Larry Moreland, President  
c/o Caterpillar, Inc.  
600 West Washington Street  
AD341  
East Peoria, IL 61630  
On Behalf of SDN Users  
Association, Inc.

Durward D. Dupre  
Richard C. Hartgrove  
John Paul Walters, Jr.  
Southwestern Bell Telephone  
Company  
1010 Pine Street, Room 2114  
St. Louis, MO 63101

Leon M. Kestenbaum  
H. Richard Juhnke  
1850 M Street, N.W.  
11th Floor  
Washington, D.C. 20036  
Attorneys for Sprint  
Communications Company  
L.P.

W. Audie Long  
Kenneth F. Melley, Jr.  
U.S. Long Distance, Inc.  
9311 San Pedro, Suite 300  
San Antonio, TX 78216

Martin T. McCue, General  
Counsel  
Linda Kent, Associate General  
Counsel  
900 19th Street, N.W.  
Suite 800  
Washington, D.C. 20006-2105  
Attorneys for the United  
States Telephone  
Association

Lawrence E. Sarjeant  
Randall S. Coleman  
1020 19th Street, N.W.  
Suite 700  
Washington, D.C. 20036  
Attorneys for U S WEST  
Communications, Inc.

Douglas N. Owens  
4705 16th Avenue, N.E.  
Seattle, WA 98105  
Attorney for Northwest Pay  
Phone Association

William J. Balcerski  
Patrick A. Lee  
William J. Balcerski  
120 Bloomingdale Road  
White Plains, NY 10605  
Attorneys for New York  
Telephone Company and  
New England Telephone and  
Telegraph Company

James P. Tuthill  
Nancy C. Woolf  
Theresa L. Cabral  
140 New Montgomery Street  
Room 1523  
San Francisco, CA 94105  
Attorneys for Pacific Bell  
and Nevada Bell

James L. Wurtz  
1275 Pennsylvania Ave., N.W.  
Washington, D.C. 20004  
Attorney for Pacific Bell and  
Nevada Bell

Mitchell F. Brecher  
Dow, Lohnes & Albertson  
1255 Twenty-third St., N.W.  
Washington, D.C. 20554  
Attorney for PhoneTel  
Technologies, Inc.

Glenn B. Manishin  
Blumenfeld & Cohen  
1615 M Street, N.W.  
Suite 700  
Washington, D.C. 20036  
Attorney for Value-Added  
Communications, Inc.

Jean L. Kiddoo  
Swidler & Berlin, Chartered  
3000 K Street, N.W.  
Washington, D.C. 20007  
Attorney for Zero Plus  
Dialing, Inc.

Rick L. Anthony  
Executive Vice President  
Quest Communications  
Corporation  
6600 College Boulevard  
Suite 205  
Overland Park, KS 66211

Alan W. Saltzman  
Senior Vice President  
Zero Plus Dialing, Inc.  
9311 San Pedro, Suite 300  
San Antonio, TX 78216

Downtown Copy Center  
1114 21st Street, N.W.  
Suite 140  
Washington, D.C. 20036

\*Hand Delivered